

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 250 – HB 228

April 22, 2019

**SUMMARY OF ORIGINAL BILL:** Removes the limitation that emergency medical technician (EMT) and advanced emergency medical technician (AEMT) training centers, authorized as part of the limited pilot project to assess the impact of EMT/AEMT training centers on the provision of emergency medical services in this state, may only operate in Sullivan, Washington, Carter, Hawkins, or Johnson Counties.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue –

Exceeds \$108,000/FY19-20 and Subsequent Years/General Fund

Increase Local Revenue –

Exceeds \$224,000/FY19-20 and Subsequent Years/Permissive

Exceeds \$144,000/FY20-21 and Subsequent Years/Permissive

Increase Local Expenditures –

Exceeds \$224,000/FY19-20/Permissive

Exceeds \$144,000/FY20-21 and Subsequent Years/Permissive

Other Fiscal Impact – TBR Institutions could realize a significant decrease in student enrollment in future years; however, the immediate fiscal impact to any one institution is considered not significant.

Pursuant to Tenn. Code Ann. § 4-29-121, all health related boards are required to be self-supporting over a two-year period. The EMS Board had a deficit of \$113,546 in FY16-17 and a deficit of \$149,731 in FY17-18.

**SUMMARY OF AMENDMENTS (004808, 008108):** Amendment 004808 deletes all language after the enacting clause. Creates a limited pilot project that authorizes the operation of a total of 15 emergency medical technician (EMT) and advanced emergency medical technician (AEMT) training centers for the purpose of determining the impact of EMT/AEMT training centers operated by ambulance services licensed in this state.

Requires, for each course taught, the ambulance service training center to report the total number of students that started the course, the total number of students that completed the course, and the percentage of those who completed the course that passed the standard certification test on the

first attempt. Requires the ambulance service to submit the report to the Emergency Medical Services (EMS) Board and to the Chancellor of the Tennessee Board of Regents (TBR) on a quarterly basis, beginning in the quarter that the first course offered by the training center is complete.

Requires the EMS Board to compile a report from the documentation received in the ambulance service report and submit the report to the chairs of the Health Committee of the House of Representatives and the Health and Welfare Committee of the Senate by June 30 of each year the pilot project is in operation.

Amendment 008108 adds language to the bill as amended by amendment 004808 to require the EMS Board to consider whether an EMT/AEMT training center exists in the relevant service area in which the pilot EMT/AEMT training center is seeking to be located, when considering a pilot EMT/AEMT training center application.

## **FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:**

### **Increase State Revenue –**

**Exceeds \$108,000/FY19-20 and Subsequent Years/General Fund**

### **Increase Local Revenue –**

**Exceeds \$224,000/FY19-20 and Subsequent Years/Permissive**  
**Exceeds \$144,000/FY20-21 and Subsequent Years/Permissive**

### **Increase Local Expenditures –**

**Exceeds \$224,000/FY19-20/Permissive**  
**Exceeds \$144,000/FY20-21 and Subsequent Years/Permissive**

**Pursuant to Tenn. Code Ann. § 4-29-121, all health related boards are required to be self-supporting over a two-year period. The EMS Board had a deficit of \$113,546 in FY16-17 and a deficit of \$149,731 in FY17-18.**

Assumptions for the bill as amended:

- Based on information provided by the Department of Health (DOH), only two of the five counties authorized to operate an EMT/AEMT training center enacted by Public Chapter 998 of the Public Acts of 2018 have established programs at this time.
- It is assumed that limiting this program a total of 15 training centers will result in at least 10 percent, or 9 (90 counties x 10.0%) ambulance services wanting to establish a program in FY19-20. It is further assumed that there will be no new programs established in FY20-21 and subsequent years.
- In addition, it is assumed that five of the nine counties already have equipment necessary to establish the program. The remaining four counties will need to purchase such equipment. The cost of the equipment is estimated to exceed \$20,000 per program.

- Based on information provided by the DOH on the current program in Johnson County, it is estimated that each program will incur an additional expense of approximately \$4,000 for hourly instructor compensation.
- Each ambulance service will have on average no more than 10 students per class and four classes per year (2 EMT and 2 AEMT).
- The permissive increase in local expenditures associated with establishing and operating new training programs is estimated to exceed \$224,000 [(4 programs x \$20,000 equipment) + (9 programs x \$4,000 instructor compensation x 4 classes)] in FY19-20; and exceed \$144,000 (9 programs x \$4,000 instructor compensation x 4 classes) in FY20-21 and subsequent years.
- The extent to which ambulance services will charge a fee to collect fee revenue in an amount to cover ambulance service costs is unknown. However, for the purposes of this fiscal analysis, it is assumed that, at a minimum, fees sufficient to offset the recurring costs of operating programs will be charged. Therefore, the increase in local revenue is estimated to exceed \$224,000 in FY19-20. Fees are assumed to be adjusted accordingly in subsequent years such that recurring costs will be covered; as a result, the recurring increase in local revenue is estimated to exceed \$144,000 in FY20-21 and subsequent years.
- Ambulance services charge a special enrollment fee of \$175 to each student to be paid directly to the General Fund. Additionally, each student will pay a state licensure fee of \$75 and a state application fee of \$50. The total cost in fees per student per class is \$300 (\$175 + \$75 + \$50).
- The recurring increase in state revenue to the General Fund is estimated to exceed \$108,000 (9 programs x 10 students each x \$300 fee x 4 classes).
- EMS education was moved to the Board of Regents in the 1980s to formalize EMS education and to become more aligned with other healthcare professional education.
- Based on information provided by the Tennessee Board of Regents (TBR), limiting the number of EMT/AEMT training centers that can operate to 15 will not significantly impact the enrollment in EMT/AEMT programs at TBR community colleges and the EMT program at the Tennessee College of Applied Technology (TCAT).
- The EMS Board is required to collect fees in an amount sufficient to pay the costs of operating the Board. All fees collected by the Board are deposited by the Department of Health with the State Treasurer to the credit of the General Fund and shall be expended by the Department and included in the appropriation made for the Board in the *General Appropriations Act*.
- Any change in expenditures of the Board is estimated to be not significant.
- The EMS Board had a deficit of \$113,546 in FY16-17 and a deficit of \$149,731 in FY17-18.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/vlh